

Using episode groupers to assess physician resource use

ISSUE: How do commercially available episode groupers and claims-based quality indicators work using Medicare data?

KEY POINTS: Research on the use of services in Medicare implies that the resources physicians and other providers use vary widely, and that higher quality is not necessarily associated with higher resource use. MedPAC has explored resource use, and found the private sector is using a variety of tools to assess resource use by physicians. Plans use this type of information to provide confidential feedback, build tiered networks, and provide payment incentives. At times, this information is paired with information on quality for the same purposes. The goal is generally to decrease the costs of care, while maintaining or improving quality.

In March 2005, the Commission recommended CMS use these types of tools to provide individual physicians with information on their resource use relative to their peers in a confidential manner. This analysis is designed to better understand how these tools might work using Medicare data.

ACTION: Staff will discuss initial results from grouping a 5 percent sample of Medicare claims. Staff will also discuss initial results from applying quality indicators to the data. Commissioners are requested to provide input on the information presented.

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